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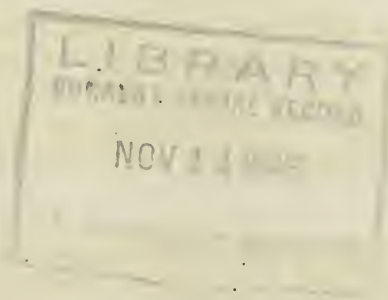
World Cottonseed Production Seen at Low Level. Second Smallest Crop Since 1920's. Reduced U. S. Crop Offsets Gains Made Elsewhere (Page 303).

Argentina Reduces Government-Buying Price for Flaxseed to Growers by 38 Cents Per Bushel. Export Prices Under Official Control (Page 309).

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L A T E N E W S

The Argentine Government's basic wheat price to producers for the 1946-47 crop was announced on November 2 at 17 pesos per 100 kilograms (\$1.38 per bushel) for Grade 2 with a test weight of 78 kilograms per hectoliter (60.6 pounds per bushel) delivered in the port of Buenos Aires on lighters or cars. This price is to be applicable to the first 330 short tons of wheat shipped by each individual producer. The basic price for additional shipments will be 15 pesos per 100 kilograms (\$1.22 per bushel). Apparently the decree carries no guarantee against a later change in prices.

The British Cotton Control announced that its prices to British spinners for raw cotton were increased, effective October 21, owing to the steep rise in cotton-purchase costs since prices were last fixed in May 1946. The increase in the British Cotton Control's price averages 5-3/4 pence (9.66 cents) per pound for American type and 4-1/2 pence (7.56 cents) per pound for Egyptian. The Control purchases cotton in world markets and resells to spinners in the United Kingdom at prices which remain fixed over considerable periods of time.

International wool talks started in London, England, last week. This Government's delegation is made up of representatives from the Departments of Agriculture and State. Representatives of the various Governments that are principally interested in wool, either as producers or consumers, are meeting for a joint review and discussion of the world situation, particularly with regard to apparel wool. Consideration will also be given to the possibilities of future wool developments.

The Cuban Cabinet on October 23 approved a decree extending the low duty on onions from the United States to November 30.

The Canadian price ceiling on oranges was fixed by the Wartime Price and Trade Board at the same level in effect prior to the removal of price ceilings in the United States. Canadian officials indicate that they do not anticipate any large scale increase in United States orange prices but should such increase occur, imports from the United States into Canada may be reduced slightly.

Czechoslovakia's 1946 sugar-beet-crop estimate was officially announced as follows: 3.5 million short tons against 3.2 million short tons last year.

Uruguay's crops this year, especially of wheat, linseed, and other grains, are being damaged by locusts.

WORLD COTTONSEED PRODUCTION AT LOW LEVEL

World production of cottonseed for 1946-47, according to a preliminary forecast, is placed at 10.5 million short tons, compared with a revised estimate of 9.6 million for last season. With the exception of last year's outturn, the current estimate is the smallest, since the early 1920's. The rise and fall in cottonseed output is the result of factors that influence production of cotton. This year's prospective increases are in the South American countries, the Soviet Union, India, and Egypt.

The increase in foreign production is partly offset by a slight decrease in the United States crop, now estimated at 3.6 million tons, compared with 3.7 million in 1945. The decline is attributed partly to unfavorable weather at planting time. Drought in some areas in September caused early opening and some loss of the upper bolls. This country is the world's largest cottonseed producer, usually accounting for at least one-third of the total.

Mexico's 1946 cottonseed output of 217,000 tons, though somewhat larger than in 1945, is still below the 1942-44 production. This decline is due to higher prices for food crops, restrictions on credit to cotton growers, and a small reduction in Government-support prices.

Although official estimates are not available, Brazil's 1946-47 cottonseed production is expected to be considerably larger than the short crops of the past two seasons. The 1945-46 outturn was 681,000 tons, a decrease of 12 percent from that of the previous year and 47 percent less than the 1943 record of 1,291,000 tons.

Production in other South American countries, namely; Argentina, Peru, Paraguay, Colombia, Venezuela, and Ecuador, is expected to equal or exceed that of 1945-46. Information now available indicates that cotton acreages in most countries were larger than last year's.

Cottonseed production in the Soviet Union, based on the cotton production goal, is estimated at 1,052,000 tons, compared with 813,000 in 1945 and the 1935-39 average of 1,640,000 tons.

India's production for 1946 has not been officially reported, but trade sources indicate that favorable weather in most areas may result in a total output of 1.7 million tons of cottonseed. This is a small increase over the 1945 estimate and the largest crop since 1943, when India inaugurated a program to divert cotton land to food crops.

China's cottonseed outturn of 907,000 tons is somewhat larger than the crops of recent years but 43 percent less than the 1935-39 average of 1,593,000 tons. Recovery of cotton production since the war has been slow. The acreage planted has been smaller because of the urgent need for food production.

COTTONSEED: Production in specified areas, average 1935-39, annual 1940-46

Continent and country	Year beginning August 1									
	Average 1935-39	1940	1941	1942	1943	1944	1945 a/	1946 a/		
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North America:										
United States	5,554	5,286	4,553	5,202	4,688	4,902	3,664	3,551		
Mexico	160	144	179	219	246	249	205	217		
Haiti	12	7	6	7	7	6	6	8		
Salvador	2	7	2	7	9	7	5	6		
Estimated total b/	5,735	5,455	4,750	5,440	4,955	5,170	3,885	3,790		
South America:										
Brazil	935	1,198	881	1,038	1,291	777	681	-		
Argentina	147	118	189	253	281	169	156	-		
Peru	204	175	171	138	165	173	175	-		
Paraguay	20	15	16	20	37	20	22	30		
Colombia	12	10	12	11	14	16	-	-		
Venezuela	6	7	7	9	9	9	10	-		
Estimated total b/	1,330	1,530	1,280	1,475	1,800	1,170	1,065	1,470		
Asia and Australia:										
Soviet Union	1,640	1,434	-	-	-	-	813	1,052		
India	2,591	2,840	2,861	2,196	2,456	1,633	1,618	1,730		
Burma	54	51	36	39	50	47	18	-		
China and Manchuria .	1,593	1,314	1,343	-	837	893	893	907		
Korea	91	85	93	98	104	116	83	71		
Turkey	140	173	151	173	165	117	84	93		
Iran	31	63	48	18	22	37	49	37		
Afghanistan	27	21	24	12	11	-	11	-		
Syria and Lebanon . .	16	16	12	7	9	7	11	-		
Estimated total b/	6,210	6,040	5,705	4,755	4,395	3,940	3,605	3,960		

Africa:										
Egypt.	1,007	1,011	923	467	394	512	576	661		
Anglo-Egyptian Sudan	132	143	124	146	93	154	110	-		
Uganda	143	157	101	48	81	128	108	-		
Tanganyika	25	28	31	22	16	11	18	15		
Belgian Congo.	87	111	94	101	72	89	88	-		
French Equatorial Africa.	21	22	44	43	42	54	45	-		
French West Africa	16	12	-	-	8	12	-	-		
Mozambique	18	43	57	49	50	49	-	-		
Nigeria	19	32	16	14	11	7	-	-		
Estimated total <u>b/</u>	1,495	1,595	1,440	935	795	1,050	1,055	1,205		
Europe:										
Greece	33	39	22	-	6	17	14	24		
Bulgaria	19	19	9	6	4	6	5	-		
Italy.	11	24	26	11	6	5	3	4		
Spain.	5	3	6	10	10	13	4	14		
Rumania <u>d/</u>	1	2	5	4	7	14	12	6		
Estimated total <u>b/</u>	75	90	75	40	35	60	40	60		
Estimated world total.	14,845	14,710	13,250	12,645	11,980	11,390	9,650	10,485		

Office of Foreign Agricultural Relations. United States figures were compiled from official records; figures for other countries were calculated from lint production estimates.

a/ Preliminary.

b/ Includes estimates for the above countries for which data are not available and for minor producing countries not listed.

c/ Partly estimated.

d/ Figures for 1942 to date not comparable with earlier years due to territorial changes.

So far, Turkey is the only other country in Asia reporting increased production in 1946. The total production in Asia is only 10 percent greater than in 1945.

Cottonseed production in Egypt, where the bulk of the African crop is produced, is forecast at 661,000 tons. This is the largest outturn since 1941 but considerably below the 1935-39 average of 1,007,000 tons. The small crops of recent years have been the result of cotton acreage restriction first imposed in 1941, in order to increase food production for war needs. Although cottonseed production has shown an upward trend since 1943, it is not sufficient to meet Egypt's domestic vegetable-oil requirements.

Anglo-Egyptian Sudan, Uganda, and French Equatorial Africa are expected to show substantial increases in their 1946-47 production. The other countries in Africa are anticipated to equal or exceed their 1945 cottonseed outturn.

European cottonseed production, estimated at 60,000 tons, is 50 percent larger than in 1945 but smaller than the prewar (1935-39) average of 75,000 tons. The 1946 increases were confined almost entirely to Greece and to Spain. Drought in Bulgaria was reported to be as serious as in 1945, and in Rumania even more severe. Production in Italy is not expected to make appreciable gains above the present low level unless the Government changes its policy of noninterference on behalf of cotton growers.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crops and Livestock statistics. For this report, the Committee was composed of Joseph A. Becker, chairman, C. M. Purves, Regina H. Boyle, Helen Francis, C. H. Barber, A. I. Tannous.

C O M M O D I T Y D E V E L O P M E N T S

GRAINS, GRAIN PRODUCTS, AND FEEDS

SOUTH AFRICA'S GRAIN
PROSPECTS FAVORABLE

Grain prospects are favorable in the Union of South Africa, and the total harvest of small grains, which is becoming general, is expected to be somewhat above average. Good rainfall over of much of the Union in early October improved winter-grain conditions and early plantings of corn, grain sorghums, and forage crops.

On the basis of unofficial reports, the wheat crop, harvested in November-December, is expected to be about 19 million bushels, or almost 75

percent above last year's small crop. The expected outturns in the leading wheat producing areas are approximately as follows: Orange Free State, 8.5 million bushels; Cape Province, 7.5 million; and Transvaal, 2.5 million bushels. Production in Natal, the remaining Province, is unimportant.

The oats crop is expected to exceed the above-average crop of about 10 million bushels a year ago. (The average during 1935-39 was 7 million bushels.) A reduction in the Cape Province is more than balanced by an increase in the Orange Free State. Prospects are for a rye crop slightly larger than the about-average crop of 800,000 bushels last year. Barley production, in contrast with prospects for other grains, is indicated to be less than the outturn a year ago.

The favorable outlook, especially for wheat, is reported to be causing serious concern regarding the shortage of jute for bags. Jute supplies last year, though considerably less than normal, were not as small as this season, when crops are expected to be larger than last year's.

Prospects for corn are for a crop somewhat larger than in 1945. The latest revision places that harvest at 64,746,000 bushels, compared with a normal production of about 80 million bushels.

PHILIPPINE RICE OUTPUT INCREASED

The 1946-47 rice crop of the Philippine Islands is expected to be 15 percent larger than last season's production, according to an unofficial forecast of November 1. Acreage is reported to exceed last season's by about 12 percent and yields should show an increase over the small return harvested in 1945-46 as a result of the war. The crop, therefore, is placed at 90 million bushels (2.8 billion pounds milled), compared with the 25-year low of 77 million bushels (2.4 billion pounds) in 1945-46, and the prewar (1935-36 to 1939-40) average of 109 million bushels (3.4 billion pounds).

RICE: Production, imports, and utilization in the Philippine Islands, 1946-47 with comparisons

Year	Yield		Production		Net		Apparent	
	Acre- age	per acre	Rough	Milled	imports	a/ b/	a/ b/	utilization
	: 1,000:		: Million:	: Million:	: Million:			: Million
	: acres:	: Bushels:	: bushels:	: pounds	: pounds			: pounds
Average:	:	:	:	:	:	:	:	:
1930-31 to 1934-35:	4,643:	22.4 :	104 :	3,276 :	21 :			3,297
1935-36 to 1939-40:	4,918:	22.2 :	109 :	3,434 :	130 :			3,564
1941-42	5,729:	20.6 :	118 :	3,717 :	c/ :			c/
1945-46	4,087:	18.8 :	77 :	2,426 :	c/ :			c/
1946-47 d/	4,400:	20.5 :	90 :	2,800 :	c/ :			c/

Compiled from official sources, except as noted.

a/ In terms of milled rice converted at 70 percent of rough rice. b/ Calendar year following harvest. c/ Not available. d/ Unofficial and preliminary forecast.

Despite the increase in the 1946-47 production, supplies next year will not be sufficient for the normal rice consumption of that country, since the crop is about 700 million pounds less than prewar utilization. In 1946, imports from the United States from January through September equaled 189 million pounds, or 39 percent of the total United States exports during that period. These imports into the Philippines, together with some rice from Siam, helped alleviate the severe food shortage of 1946. Native root crops also have supplied some food requirements until the new rice becomes available. The small harvest of upland rice crops was beginning to reach the market on November 1, and the main crop will be harvested in December and January.

TOBACCO

ALGERIA'S TOBACCO CROP LARGE; EXPORTS TO RISE

Algeria's tobacco production during 1946 reached the high figure of 37 million pounds, according to a report from the American Consulate General at Algiers. This compared with a 1945 outturn of only 8 million pounds and with the prewar (1935-39) average of about 39 million. The large 1946 crop is reported to be of good quality and will provide a substantial export surplus. As only 21 million pounds of the total will be consumed in French North Africa and Metropolitan France, about 16 million pounds will be available for shipment to other countries.

Exports of leaf from Algeria during the first 6 months of 1946 were far below prewar. Leaf exports totaled only 1.2 million pounds, as compared with an annual prewar (1934-38) average of 26 million. Most of the 1946 exports were destined to French Morocco and Tunisia, but in prewar years the bulk of the exports went to France. Exports of cigarettes, which averaged 5.2 million pounds annually during 1934-38, declined to only 1.8 million during the first half of 1946. French West Africa was the principal importer of Algerian cigarettes.

Algerian tobacco requires the admixture of other leaf, having more aroma and combustibility, for blending in the manufacture of acceptable tobacco products. Import requirements of foreign leaf, tobacco in 1947 are estimated at a minimum of 7.7 million pounds. Sufficient exchange will probably be granted for the purchase of that quantity during the next year. Normally, the Algerian tobacco industry uses about 30 percent foreign leaf in the manufacture of tobacco products, although the better quality cigarettes contain as much as 65 percent foreign leaf.

During the first half of 1946, imports of leaf into Algeria totaled about 4 million pounds, principally from Brazil, the Dominican Republic, and the United States. During the period 1935-39, Algeria's imports of leaf averaged 8 million pounds annually. Imports from Brazil, the chief supplier, averaged 2.3 million pounds and the Dominican Republic 2.1 million. The United States supplied an average of 820,000 pounds, chiefly fire-cured and Burley. Other principal sources of supply were the Netherlands Indies, the Philippines, and Hungary.

INDOCHINA PLANS TO BUY
MORE U. S. TOBACCO

French Indochina expects to import about 5.5 million pounds of leaf tobacco in 1947, principally from the United States. Tobacco importing is carried on by the Government Monopoly, and in 1947 imports of leaf from this country will be made through the French Government's purchasing office in New York City. No plans for the purchase of tobacco products have been reported.

Imports of foreign tobacco are required to supplement the quantities of leaf grown domestically. In prewar (1936-38) years, leaf imports, principally from Algeria and China, averaged 2.8 million pounds annually. Imports of United States leaf during those years averaged less than 500,000 pounds annually.

FATS AND OILSARGENTINA REDUCES PRICE
FOR FLAXSEED TO GROWERS

The Argentine Government, on November 2, reduced the buying price of No. 2 grade flaxseed to 30 pesos per 100 kilograms (\$2.27 per bushel). The previous price of 35 pesos (\$2.65 per bushel), which was over double the price growers received in 1945, had been established on May 23 of this year. The new decree carries no guarantee against later changes of price levels.

The Agricultural Production Regulating Board, as the official commercial agent of the Government, will set details of conditions of trade, and control all negotiations and prices for domestic use and for export.

FRUITS, VEGETABLES, AND NUTSWORLD DRIED-PEACH
PRODUCTION LARGER 1/

The 1946 preliminary estimate of dried-peach production in the leading commercial producing countries: the United States, Argentina, Australia, Chile, and the Union of South Africa, is 30,300 short tons, compared with 28,300 tons in 1945 (revised). This is a 15-percent increase over the 10-year (1935-44) average of 26,400 tons. Output in the United States and Argentina showed a slight gain, but that in Australia and Chile remained unchanged. In the Union of South Africa, production was 33 percent less than last year's.

During the 1946-47 marketing season few dried peaches from Southern Hemisphere countries, other than Argentina, are expected to find their

1/ A more extensive statement on this subject is available upon request to the Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations.

way into European markets. Dried peaches from the United States, however, are expected to move into European markets in somewhat larger volume than during last season, in view of the continued food shortage in Europe and the gradual improvement in the political and economic situation.

PEACHES, DRIED: Estimated commercial production in specified countries, 1946 with comparisons
(Rounded to nearest 100 short tons)

Year	Ar- gentina	Aus- tralia	Chile	Union of South Africa	Foreign total	United States	Total
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Average-							
1935-44	1,500	500	1,400	800	4,200	22,200	26,400
1940-44	1,900	500	1,100	900	4,400	21,500	25,900
1943 ...	3,800	400	900	1,100	6,200	17,300	23,500
1944 ...a/	2,500	500	1,000	1,300	5,300	27,500	32,800
1945 b/...a/	3,200	600	800	900	5,500	22,800	28,300
1946 b/...a/	4,300	600	800	600	6,300	24,000	30,300

Compiled from trade and official sources.

a/ Revised. b/ Preliminary.

WORLD-DRIED PEAR OUTPUT DECLINES

The 1946 preliminary estimate of dried-pear production in the four leading commercial producing countries: the United States, Argentina, Australia, and the Union of South Africa, is 6,700 short tons, compared with 7,800 tons in 1945 (revised). This estimate is 5 percent larger than the 10-year (1935-44) average of 6,400 tons.

PEARS, DRIED: Estimated world commercial production, 1946 with comparisons
(Rounded to nearest 100 short tons)

Year	Argentina	Australia	Union of South Africa	Foreign total	United States	Total
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Average -						
1935-44 ...	500	400	500	1,400	5,000	6,400
1940-44 ...	600	400	800	1,800	3,500	5,300
1943	700	400	1,300	2,400	a/ 4,200	a/ 6,600
1944	1,000	500	500	2,000	a/ 4,000	a/ 6,000
1945 b/ ...	900	400	1,000	2,300	a/ 5,500	a/ 7,800
1946 b/ ...	2,700	300	200	3,200	3,500	6,700

Compiled from trade and official sources

a/ Revised. b/ Preliminary

Although output in Australia, the United States, and the Union of South Africa in 1945 declined from the previous year, that in Argentina trebled. On the basis of present information, the United States percentage of the world's total production has dropped from 78 percent for the 1935-44 period to 52 percent in 1946.

Last year's pack was completely disposed of before new-crop dried pears appeared on the world's markets. The exportable surpluses, other than insignificant parcels, are in the United States and Argentina. In the other two countries, below-average production is barely sufficient for normal requirements.

Note: A more extensive statement on this subject is available upon request to the Division of Foreign Information and Statistics, Office of Foreign Agricultural Relations

COTTON AND OTHER FIBERS

WEEKLY COTTON PRICES ON FOREIGN MARKETS

COTTON: Spot prices of certain foreign growths
and qualities in specific markets

Market location, kind, and quality	Date :1946	Unit of : weight	Unit of : currency	Price in: : foreign currency	Equivalent : U. S. cents : per pound
Alexandria	:	:Kantar	:	:	:
Ashmouni, F.G.F.	:10-31	: 99.05 lbs.	:Tallari	: 40.25:	: 33.59
Giza 7, F.G.F.	:10-31	: 99.05 lbs.	:Tallari	: 40.50:	: 33.80
Karnak, F.G.F.	:10-31	: 99.05 lbs.	:Tallari	: Not quoted	
Bombay	:	:Candy	:	:	:
Jarila, fine	:10-31	: 784 lbs.	:Rupee	: 450.00:	: 17.31
Kampala, East African:	:10-31	: 784 bls.	:Rupee	: 850.00:	: 32.69
Buenos Aires	:	:Metric ton	:	:	:
Type B	:11-2	: 2204.6 lbs.	:Peso	: 2110.00:	: 28.50
Lima	:	:Sp.quintal	:	:	:
Tanguis, Type 5	:11-2	: 101.4 lbs.	:Sol	: 184.00:	: 27.91
Recife	:	:Arroba	:	:	:
Mata, Type 5	:11-1	: 33.07 lbs.	:Cruzeiro:	: 130.00:	: 21.25
Sertao, Type 5	:11-1	: 33.07 lbs.	:Cruzeiro:	: 130.00:	: 21.25
Sao Paulo	:	:Arroba	:	:	:
Sao Paulo, Type 5	:10-31	: 33.07 lbs.	:Cruzeiro:	: 151.50:	: 24.76
Torreón	:	:Sp.quintal	:	:	:
Middling, 15/16"	:11-1	: 101.4 lbs.	:Peso	: 148.75:	: 30.18

Compiled from weekly cables from representatives abroad.

